



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

VIA E-MAIL ONLY

April 17, 2019

Mr. Aaron Lambert, CEO
Healthy Blue
10000 Perkins Rowe Suite G-510
Baton Rouge, LA 70810

RE: Notice of Action – Failure to Process Member Appeals Timely

Dear Aaron:

Healthy Blue Louisiana (HBL) has failed to process member appeals in the timeframes required by the contract. The contract between HBL and the Louisiana Department of Health (LDH) requires all appeals to be resolved within thirty (30) days of receipt by HBL, with a potential fourteen (14) day extension, as outlined below:

13.6.1. Specific Timeframes

13.6.1.2. Standard Resolution of Appeals

For standard resolution of an appeal and notice to the affected parties, the timeframe is established as thirty (30) calendar days from the day the MCO receives the appeal. This timeframe may be extended under Section 13.6.2.1 of this Section.

13.6.2. Extension of Timeframes

13.6.2.1. The MCO may extend the timeframes from Section 13.6.1 of this Section by up to fourteen (14) calendar days if:

- The member requests the extension; or
- The MCO shows (to the satisfaction of LDH, upon its request) that there is need for additional information and how the delay is in the member's interest.

HBL has demonstrated an on-going pattern of exceeding the contractual timeframes for processing appeals since late 2018. Since that time, LDH has consistently provided feedback to HBL regarding its contractual obligation of processing appeals timely, and given HBL every opportunity to come into compliance before initiating this action.

In October, November and December of 2018, HBL was notified it was not in compliance with Section 13.6.1.2 of its contract with LDH. In November of 2018, HBL was told that LDH was highly concerned with the number of behavioral health cases in particular not processed timely. HBL's response was that the timeframes were not being met due to a staff member being out of the office unexpectedly and that a new staff member was being trained. LDH was assured that HBL was "implementing a new staffing plan which will mitigate these types of circumstances in the future."

In January of 2019, HBL was again non-compliant and was made aware of the processing timeframes. HBL's response was that additional training would be provided to ensure extensions are requested. The report for the following month, February 2019, provided an alarming number of appeals did not meet the contractual timeframes. HBL provided in its response to LDH's feedback that "there were physical health appeals that did not have extension letters sent due to a fairly new employee still learning all aspects of the appeal process. She has been provided additional training on turnaround times and to request the extension as the appeal is approaching the time for resolution." In the March 2019 submission, HBL, once again, referenced the training of a new employee as the reason for the large number of appeals that remained open.

The table below shows the number of member appeals that have remained open beyond the contractual timeframes in recent months.

Report Month	Number
November 2018	30
December 2018	29
January 2019	44
February 2019	70
March 2019	66

Failure to adhere to the contract requirements cited herein carries a monetary penalty per occurrence per calendar day of non-compliance of \$5,000 as outlined in Section 20.3.3. of the contract between HBL and LDH.

HBL must demonstrate compliance and process all member appeals within the timeframes required in the contract no later than its May 2019 report period, or penalties will begin to accrue **each day** thereafter for **each appeal** remaining open in violation of the contract provisions cited herein.

Mr. Aaron Lambert

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Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stacy J. Guidry". The signature is written in a cursive, flowing style.

Stacy Guidry,

Section Chief, Medicaid Program Operations and Compliance

SG/lj

cc: Kelley Francis
Connie Lewis
Jen Steele
Kim Sullivan
Christina Wilson
HBL2-15